

1 JAMES P. HURLEY
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5 (509) 248-4282

6 UNITED STATES BANKRUPTCY COURT
7 EASTERN DISTRICT OF WASHINGTON

8 In re) NO. 10-05626-FLK12
9 STEVEN R. HEITSHUSEN,)
10) FINDINGS OF FACT AND
11) CONCLUSIONS OF LAW
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13 THIS MATTER having come on regularly for hearing before the HONORABLE FRANK L.
14 KURTZ, United States Bankruptcy Judge for the Eastern District of Washington, by telephone
15 conference on October 6, 2011, the Debtor appearing in person and through his attorney of record
16 JAMES P. HURLEY of Hurley & Lara, the Chapter 12 Trustee, FORD ELSAESSER, appearing by
17 telephone and by written report, creditor Basin Agro Services, Inc. appearing by their attorney, BRIAN
18 H. MILLER, creditors Sandra Lacy and James Lacy, appearing through their attorney, PAUL M.
19 LARSON, creditor Lower Valley Credit Union appearing by their attorney, DUSTIN YEAGER. The court
20 having considered the testimony of the Debtor, the exhibits and evidence offered in support of the
21 Order Confirming the Debtor's Chapter 12 Plan, and the stipulations of the parties evidenced by their
22 signatures approving these Findings of Fact, including the stipulations made on the record in this Court
23 on July 12, 2011, resolving the claims of the creditors Lacy and Basin Agro Services, the Court now
24 makes the following:

25 FINDINGS OF FACT

26 1. The Plan complies with the provisions of Chapter 12 and with other applicable provisions
27 of Title 11, U.S. Code;

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29 FINDINGS OF FACT AND
30 CONCLUSIONS OF LAW

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1 2. Any fee, charge or amount required under Chapter 12 of Title 28, U.S. Code, or by the
2 Plan, to be paid before confirmation, has been paid;

3 3. The Plan has been proposed in good faith and not by any means forbidden by law;

4 4. The value, as of the effective date of the Plan, of the property to be distributed under the
5 Plan on account of each allowed secured claim is not less than the amount that would be paid on such
6 claim if the estate of the Debtors were liquidated under Chapter 7, Title 11, U.S. Code, on such date;

7 5. The holder of each allowed secured claim has accepted the Plan, subject to the
8 modifications set forth as follows:

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11 (1) Lacy claim:

12 Lacy's allowed secured claim shall be in the amount of \$5,300.00, which is the total
13 value of all monies paid to them by Debtor or from the proceeds of Debtor's property post-petition, as
14 well as the air compressor and the 1998 Exiss livestock trailer currently in their possession. Creditor
15 shall release all other personal property of the Debtor in their possession and any claimed security
16 interest in property of the Debtor and shall dismiss the pending State Court lawsuit involving the Debtor
17 and Basin Agro, Inc.

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20 (2) Basin Agro Services, Inc. claim:

21 The allowed secured claim of Basin Agro is the total amount of \$82,790.95. Basin Agro
22 shall retain all funds paid to date and shall credit their allowed secured claim in the amount of
23 \$10,664.00 in labor provided by the Debtor and \$19,000.00 in exchange for the transfer of
24 approximately 160 bales of hay, 2010 Frontier 10-wheel hay rack, the 1971 John Deere 4620 tractor
25 and the 1998 Freightliner road tractor. In addition, the creditor shall receive \$14,942.07 in payment
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29 FINDINGS OF FACT AND
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1 from funds presently held by the Chapter 12 Trustee. This reduces the balance of the Basin Agro
2 Services claim to \$37,000.00, which shall bear interest at the rate of 7% per annum from August 1,
3 2011. The Debtor shall pay \$12,000.00 on or before December 1, 2011. The remaining principal
4 balance of \$25,000.00, together with accrued interest shall be amortized over three years and shall be
5 paid in three (3) equal annual installments, with the first such payment due on or before December 1,
6 2012, and subsequent payments due on or before December 1, 2013 and December 1, 2014. In the
7 alternative, the Debtor may pay the sum of \$15,000.00 on or before December 1, 2012 in full
8 satisfaction of the balance of this allowed secured claim, provided all other terms regarding the
9 treatment of this claim have been met. Basin Agro shall be granted a first and paramount security
10 interest in the Debtor's cattle herd currently located on the Largent Ranch in Wyoming, consisting of
11 approximately 20 cows, 6 yearling bulls, 15 calves born in 2011, 12 yearling heifers and 2 herd bulls.
12 The Debtor shall have the right to sell cattle from time to time during the term of the Plan, subject to the
13 obligation to apply the net proceeds to the Basin Agro claim.
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17 (3) Evergreen Implement claim:
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19 The claim of Evergreen Implement has been paid in full by the return of property to it in
20 which it held a security interest as described in the Chapter 12 Plan.

21 (4) Lower Valley Credit Union claim:
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23 The Allowed Secured claim of Lower Valley Credit Union is the total amount of
24 \$7,642.62 as shown in Lower Valley Credit Union's proof of claim. The Debtor is currently delinquent in
25 the amount of \$1,775.24 in its payments to Lower Valley Credit Union. Said arrearage and Debtor's
26 October 15, 2011, payment in the amount of \$443.81 will be paid on or before November 1, 2011, or in
27 the alternative, the truck that secures Lower Valley Credit Union's claim will be surrendered to Lower
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29 FINDINGS OF FACT AND
30 CONCLUSIONS OF LAW

1 Valley Credit Union on or before November 1, 2011, in satisfaction of its claim. In the event that
2 Debtor's payments to Lower Valley Credit Union are brought current, Lower Valley Credit Union will
3 continue to receive monthly payments on or before the 15th day of each month thereafter in the amount
4 of \$431.81 until this claim is paid in full. All payments on this claim will be made through the Chapter 12
5 Trustee. Debtor's Plan does not otherwise alter any term of the existing security agreement and loan
6 documents between Debtor and Lower Valley Credit Union, including, but not limited to, the interest
7 rate to be paid under said loan documents.
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10 (5) Unsecured creditors' claims:

11 No unsecured claims have been filed in this case.

12 (6) Trustee Fees:

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14 The Trustee is entitled to fees. Specifically the Trustee is entitled to a fee of \$1,184.89
15 for monies constructively paid by the Debtor to Basin Agro as a result of custom work performed by the
16 Debtor for creditor, Basin Agro. Fees through January in the amount of \$246.56 for constructive
17 receipts for payments made directly by the Debtor to Lower Valley Credit Union and payments
18 computed at .1111111111 for all payments made after confirmation of the plan. In addition, the Trustee
19 is entitled to fees for all payments made to Basin Agro under the terms of this Plan not previously set
20 forth. All fees accruing and not paid as a result of constructive receipts shall be paid in three (3) equal,
21 annual, installments commencing on December 1, 2011 and continuing on December 1, 2012, and
22 December 1, 2013.

23 6. The Debtor's operating budget relating to his continued cattle operation demonstrates
24 the feasibility of the Plan.

25 7. The Court having entered its Findings of Fact, now enters the following:
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29 FINDINGS OF FACT AND
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1 CONCLUSIONS OF LAW


2 1. The Plan complies with the provisions of Chapter 12 and with other applicable provision
3 of Title 11, U.S. Code; and

4 2. The Court should confirm Debtor's Chapter 12 Plan as modified in the foregoing
5 Findings of Fact regarding the stipulations and clarifications of the parties, including the stipulations
6 reached and recorded in the Court's record on July 12, 2011.
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10 Presented by:

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12 s/ James P. Hurley
13 JAMES P. HURLEY WSBA #6615
14 Attorney for Debtor

15 Agreed to and Approved for Entry:

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17 FORD ELSAESSER
18 Chapter 12 Trustee

19 Agreed to and Approved for Entry:

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21 approved telephonically
22 PAUL LARSON WSBA #6010
23 Attorney for Sandra Lacy and
24 James Lacy

25 Agreed to and Approved for Entry:

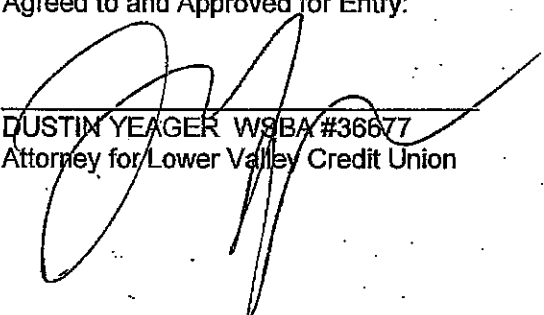
26 approved telephonically
27 BRIAN MILLER WSBA #6405
28 Attorney for Agro Service, Inc.

29 FINDINGS OF FACT AND
30 CONCLUSIONS OF LAW

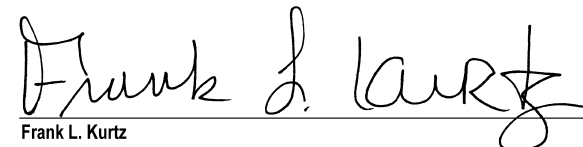
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1 Agreed to and Approved for Entry:

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4 DUSTIN YEAGER WSBA #36677
5 Attorney for Lower Valley Credit Union
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FINDINGS OF FACT AND
CONCLUSIONS OF LAW

-s- 
Frank L. Kurtz
Bankruptcy Judge

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